ACTION COMMITTEE ON THE RURAL ECONOMY

COMMUNITY SUCCESS STORIES

Plans, Actions and Results

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Preface

The following report represents the product of research provided to the Action Committee on the Rural Economy (ACRE) by Al Scholz and Associates Inc. ACRE's goal in preparing the Community Success Stories was to look at the plans, actions and results of eight different communities from rural Saskatchewan as they endeavored to build their economies and communities. ACRE appreciates the level of candor in the information provided by the people interviewed in discussing the challenges they faced.

Community Success Stories

Plans, Actions and Results

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Eston

Re-define the Term Community!

How the Community Created Opportunities

Eston was settled in the spring of 1914 along the CNR right-of-way and by the end of the year had 10 thriving businesses. The CN Rail branch line reached Eston in August 1915 and by the end of the year there was regular passenger service, the Eston Review Newspaper started and five grain elevators had been built. The town was complete in 1916 with the construction of a hotel, the arrival of a physician, a druggist, three retail/grocery stores and the registration as a village.

Eston grew steadily to 1,500 people by 1971 with the K-12 school attendance at a high of 575 students in 1984. Then beginning in 1985 a decline commenced steadily losing one classroom per year to the current 250 students in 2001. In 1988-89 it became clear that the **status quo** was not acceptable and significant effort was required to sustain the community and reverse the decline. It was difficult because at first the community was complacent and had no fight. A campaign to fight the decline was sparked by the local newspaper, the *Eston Review*, and a handful of others which, over the years, was fanned to a prairie fire of action across the region.

The first major initiative was the $4.0 million Community Complex built in 1990-1991 with local labour and community financing. This included a curling and skating rink, bowling alley, fitness centre and community hall. **This anchored the community and was a training ground on how to work together on other projects that followed.**

In 1994-95, the Eston Riverside Regional Park, 14 miles south of town on the South Saskatchewan River, received a major swimming pool up-grade and an expansion of the golf course to grass greens and irrigated fairways. The park has become a regional recreation centre with boating, fishing and camping creating a number of summer jobs.

In anticipation of changes in the Crow transportation subsidy, there were a number of key community-based agri-value ventures in the mid-1990s including Canadian Select Grains (special crops processing) and River Ridge Cattle Corporation (5,000 head feedlot). New agri-business ventures such as G.H. Schweitzer Enterprises Ltd. (spice production & marketing) grew quickly and the adaptation to a broad range of conventional and non-conventional pulse crops expanded.

The realization that community development was broader than economic development resulted in a range of projects to enhance the community such as Communities in Bloom and the Christmas Light competition, as well as a focused campaign to support local business. This included an annual Citizen of the Year Award competition. **The aim is to make Eston a show-case rural community.** These all fostered community pride and buoyed optimism.

The year **1997 was a major shock** with the closure of the Eston hospital, the announcement the CN branch line would be abandoned during 1999-2000 and the potential for all of the elevators being torn down. The community had a track record of successful community projects and the leadership knew how to tackle big obstacles. They were not able to save the hospital but negotiated a Health Clinic, advanced seniors care and maintained a doctor in the community.

Leaders along the 480 km branch line from Delisle to Alsask, with a determination to save this critical infrastructure, formed West Central Road and Rail Ltd. A steady effort by very committed leaders has resulted in successfully challenging the abandonment of the branch line and the development of a solid business case to sustain grain movement on the line. West Central Road and Rail Ltd. constructed their first of six producer car loading facilities and continue to push the envelope as they challenge the grain handling regulations and marketing systems. They have gained strong support of dozens of towns and RMs, the Canadian Wheat Board and the provincial Department of Highways and Transportation.

Today the community of Eston has stabilized its population and is ready for growth. There have been over 35 full-time jobs created directly (and an estimated 35 indirect jobs) in the last few years including well-paid, professional management and marketing positions requiring university education. This sustains other local businesses and services to provide a base to expand and build a bright future. Young people (ages 20-29) are returning or moving to the community and there is a critical mass to sustain social and recreational activities for young adults.

How They Financed Their Projects

There has been a combination of financing including special mill rates by the Town and RM for major projects such as the $4.0 million Community Complex. The community raised sufficient capital to trigger loans (low-risk debt financing) for the balance of the cost.

Creative approaches for the expansion of the Regional Park included Lifetime Memberships to various recreation facilities such as the golf course, campgrounds, swimming pool, etc. in exchange for a one-time $3,000 to $5,000 investment.

West Central Road and Rail Ltd. is regionally based along 300 miles of rail line from Alsask to Delisle with spur lines to Beechy, Kyle and Lacadena. In the spring of 2001 they required $350,000 to commence building the first loading facility. Through a very intensive series of community meetings and information sharing, they asked the 1,700 members along the rail line to contribute $200 each for Phase I of the projects. Within 10 days they received $800,000. In the summer of 2001, a second fund of $1.3 million was required and $1.7 million was received before the Security Commission closure date. This is the power of a common vision and common goal.

In summary, there has not been a single formula for financing except to have a sound idea, develop a solid business case and communicate the concept very well, to the surrounding community, in terms they can understand and relate to on a personal basis.

Local Investments vs. Outside Investments

Local farmers and business people initially financed all initiatives. Additional financing was obtained from debt capital (River Ridge Cattle Corporation and West Central Road and Rail Ltd.) and equity/venture capital (Canadian Select Grains).

No community can finance economic development entirely on their own, but they must be the first investors of a significant amount, in a community venture. Like any business enterprise in any other location, if there is a good business case it is possible to attract the required investment capital from both local and external sources.

It is important to make good use of the appropriate professional services in developing a good business case. The right lawyers, accountants and consultants can empower the community and ease the process, but still it is never easy to do something new or innovative.

It is important to note the on-going efforts made to invest in local business through buying locally. The True-Value Hardware was going to close due to declining business volume. The community mobilized to support this business and they stayed. This is critical in terms of **retention** of business investment in the community and region. The *Eston Review* together with the Town Council, the RM and Chamber of Commerce were key leaders in promoting a buy local campaign. It worked and the community is much closer!

Jobs Created and Other Economic Spin-Offs

The population of Eston has stabilized with the development of several new businesses over the past five years and the anticipation of more start-ups.

Canadian Select Grains employs 9 full-time people and up to 5 part-time people, G.H. Schweitzer Enterprises Ltd. 12 people (many with University degrees), West Central Road and Rail Ltd. 3 people, River Ridge Cattle Corporation 5 people (high level feedlot managers) and several expanded service businesses throughout the community provide full-time and part-time opportunities such as the regional park, seniors housing and health care.

It is estimated that for every direct job created in the new venture there is at least one indirect job created in the retail and service areas such as education, health, transportation, etc.

The Keys to Success

Re-define the term community to include a number of towns and RMs along a rail line. All projects had the broad-based support of surrounding towns and RMs. This began in the 1960s when Eston shared a water pipeline with Kindersley. Encourage key leaders from surrounding communities to work together ... and perhaps start with a smaller regional project with strong regional benefits.

Realization that no one will do it for us. The leadership realized that unless Eston took a strong pro-active approach, future development would default to the larger towns of Kindersley and Rosetown, which were on major highways and rail lines. Necessity was the catalyst to mobilize the right

combination of farm and business leaders with the ability to overcome significant obstacles.

Support leaders with a bold vision and don't be deflected by **"it can't be done mentality!"** A few people in a small community can successfully challenge federal government policy and programs, such as the rationalization of the grain transportation industry, and win. Local champions who are respected and credible must lead each project. The community had an economic development officer for a period of time, but there was a tendency to rely too much on that one person and they did not have the impact or credibility to mobilize support.

The best community development is home-grown: *"We cannot just look at economic development, we must look at community development, which is large,"* says Lorne Johnson, Mayor, Town of Eston. *"If a company can move in they can just as easily move out."* The best effort by community development committees was to focus on how they could support and encourage existing businesses and help them expand. This has worked in encouraging processing and manufacturing businesses, as well as keeping a local hardware store in Eston that was planning to close and sustained other retail outlets, as well as professionals such as doctors, lawyers and accountants.

It is possible to challenge big business and big government: Innovation requires vision, courage, persistence, and the ability to effectively communicate the vision to people in the region. Use professionals such as lawyers, accountants and consultants to your advantage and network with outside business, research and government experts to lobby and support your case. This is evident in Canadian Select Grains, River Ridge Cattle Corporation, G.H. Schweitzer Enterprises Ltd. and West Central Road and Rail Ltd.

Government can be a good partner. The West Central Road and Rail Ltd. would not have succeeded with their negotiation with CN Rail and the grain companies without the support and assistance from the **Short line Advisory Group** of the Department of Highways and Transportation and the Canadian Wheat Board (CWB). Although they struggled with governments, there was excellent support from other branches of government who provided critical business and market support to their efforts.

Community booster and promoter. An alternative message must be constantly present in the community to emphasize the positives. The *Eston Review* clearly led the campaign for community renewal and re-growth, which was a platform for the Town Council, the Chamber of Commerce and other organizations to build their own promotions. Communities without an aggressive and supportive local media as a community booster will have great difficulty moving forward.

Roadblocks

Consolidation of Infrastructure – The rationalization of rail, road, elevators, schools, hospitals, etc. is promoted and led by governments and large business. The loss of one or two families has a domino effect in the community impacting schools, churches, recreation, the retail sector and public discouragement. **Solution**: Determination to preserve as much as possible. Get organized. Do your homework. Get professional help. Communicate regularly and negotiate hard with your opponents and don't give up too soon. Mobilize key leaders within the region. Communicate well and often to the community. Look for support for your ideas from other government departments, other large players and from other communities in the province.

Local investment capital. It is always a challenge to raise sufficient capital to go forward but it can be done. **Solution**: There are three factors that contribute to successfully raise local capital: credibility of leaders, soundness of a business plan and addressing larger community objectives. West Central Road and Rail Ltd. was able to raise more than the required amount within days, through an intensive lobby and communication plan that clearly stated the benefits of the investment to the larger community.

Sometimes local capital cannot be raised despite the above three factors. **Solution**: Either quit that business idea or be creative. River Ridge Cattle Corporation Ltd. was unable to raise sufficient local capital and unable to secure an external partner so they commenced building in stages, as they had the cash. Over the five years River Ridge Cattle Corporation was able to meet their goal of a 5,000 head feedlot capacity and are planning an expansion to 10,000 head.

Competition with surrounding communities. This is an ongoing challenge facing all communities in rural Saskatchewan. It takes time to learn to work together and deal with egos and old animosities. **Solution**: Keep working at it. Build on prior experience and friendships gained from regional social, recreation and sports events. Be the first to

help a neighbouring community on their projects. Share the benefits among surrounding communities and RMs. Have a continuous communication process to keep the larger picture in mind. Expand advisory boards to include key leaders from each community on every venture.

Compete with cities and larger communities: The attraction of Rosetown and Kindersley as well as Saskatoon and Regina is as much a problem as the attraction to Alberta. **Solution**: Constant effort to improve the amenities of small town Saskatchewan (Community Complex, Regional Park and cultural and social activities and events) and pitch the lifestyle of small community living surrounded by natural beauty. Involve and include young people at an early age and **make them part of the solution**. It works.

Attitude: "What's the use?" or "It can't be done!" There is a great deal of frustration and pessimism in rural communities, including parts of Eston. This attitude comes from years of decline, less infrastructure, more consolidation and increasing taxation pressure on local government for education and municipal services. It is really a feeling of powerlessness. *"In some ways, our own community can be our worst enemy and further decline becomes a self-fulfilling prophecy,"* says Verna Thompson. **Solution:** Strong group of leaders who support each other to keep positive. Ignore the nay-sayers. Do enough background work to get people to work with you. Unless the general attitude is positive, nothing will happen. Do not be afraid to try new things. Failure is required to learn because you never know unless you try.

Leadership succession: The existing core group of leaders is thin at the best of times and after 10-15 years they are getting tired. Effective leaders contribute huge amounts of volunteer time as well as investment capital. There has to be a leadership succession program. **Solution**: Become involved in programs such as Leadership Saskatchewan, which is focused on emerging leaders, primarily from the late teens to early 30s. They are taught how to understand people via different personality types, conflict resolution and how to organize and utilize volunteers. Consciously include and involve young people on community boards and councils for experience.

The Next Project(s)

Eston and the surrounding communities and RMs are on a roll. They have the same pressures common to rural, agricultural-based communities, but they have uncommon responses. The level of confidence has risen and the recent successes have increased the will and determination of community leaders. The most immediate projects in the near future include:

Expansion of the **River Ridge Cattle Corporation Ltd.** during 2002-2003 and review the opportunity for **ethanol production**, which was the original reason for the feedlot 10 years ago.

Construct **producer loading facilities** by West Central Road and Rail Ltd. in the remaining five key communities and complete the negotiation with CN for sustained **access to the rail system.**

Develop a **pork production** facility with one of the leading integrators.

Promote **increased tourism and recreation** and explore growth in other sectors. *"Not everything has to be based on agriculture,"* says Verna Thompson. *"We have lots of resources and many opportunities we haven't yet thought about."*

Attract **immigrant farmers** to settle and invest in the region from Alberta, other Canadian provinces and Europe. The reasons are to bring new ideas and investment, to increase value-added activity and to enrich the community through increased population.

Summary

Eston is not on a major highway or rail line and has consciously had to make a special effort to retain community and business services. The community has a history of private sector innovation and had leaders with good business experience. But the construction of the Community Complex in the early 1990s was the activity that brought leaders together for a community effort and was the **glue** that kept them together. This set the stage for a number of community-based projects during the mid-to-late 1990s. **Why the innovation?**

Build on local strengths: The region has a rich agriculture land-base. The leaders looked at how they could build on this core strength but take it in new directions. **An observation is that communities must be willing and prepared to accept change.** Eston was ready and willing.

Capable regional leaders with a vision: There were 10-15 key farm and business leaders who were committed to community development and were involved at various levels in all the major projects. They provided the vision and credibility for the projects and were able to mobilize local support and capital. **An interesting observation is that**

about one-half of the core leaders grew up in other parts of Canada. They bring a different perspective and can perhaps see the opportunities much easier than someone born and raised in the area.

The leaders were good **pathfinders**. As a group, they had a large network of contacts within business, government (politicians and senior bureaucrats) and research at both the provincial and federal levels, and were able to access the expertise and information required to move their projects forward. The importance of a good external support network must not be under-estimated during times of change.

Powerful community boosters: During the 1990s the role of the *Eston Review's* editorials and business promotion had a major impact on creating and sustaining a powerful can do attitude within the community.

"*Adversity can be good for a community,*" comments Gary Schweitzer. "*You breed better swimmers by training in a pool of sharks.*" Gary goes on to say, "*Saskatchewan is a soft place to live because government takes such good care of us. We have become complacent and reliant on government. Our pioneer ancestors knew if it is to be ... it's up to me! Successfully meeting the agriculture and rural challenges has made Eston a stronger community.*"

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Leroy

Thinking Outside the Box - Changing Times – Can We Change in Time?

How the Community Created Opportunities

In 1990 the population of the Town of Leroy was about 450 people. The community had been in continuous decline since the 1960s with population in the Town declining 17% and the RM 25% since 1980. This is not surprising given that Leroy is rather isolated, not being on a major highway or a major rail line. The retail and service sector was declining and they realized the whole town could completely disappear. **The state of urgency improved people's ability to work together**. They had lost their hospital and there was a fear, if the rinks were lost, the schools would not be far behind. The first step in halting the decline was a decision to sustain basic services for the community, such as the skating and curling rinks.

So what changed? A small group of leaders wanted to put artificial ice into the curling and skating rink to sustain a level of community services. They looked at the strengths of the community. They were an agricultural community, largely grain and oilseed producers struggling to cut costs through minimum tillage. The answer was hosting **Direct-Tec** from 1991 to 1995, which was a demonstration of direct seeding. At its height, 60-70 companies were in attendance to promote their wares to the over 5,000 farmers that attended each year. The result was over $1 million dollars raised by many community groups for various projects including artificial ice for the skating and curling rink.

Next was the revitalization of Leroy Leisureland Regional Park, Golf Course and swimming pool within a beautiful natural park four miles west of Leroy. Nothing builds confidence like success. During 1997-99, the community raised over $600,000 through fund-raising and sponsorships for the revitalization including grass greens and irrigated fairways. In the fall of 1999 the Saskatchewan Regional Parks Association awarded Leroy Leisureland the **Park of the Year Award**. In October 2001, Leisureland was awarded the **Carol Schaad Community Volunteer Award**.

After two successful community projects, Leroy turned to business. The Saskatchewan Wheat Pool (SWP) announced in 1999 it would be closing the elevator in 2001. The Leroy Watson Co-op negotiated with SWP to purchase the local elevator and the Co-op established an integrated farm supply service for fertilizers, crop protection and seed to replace the closing SWP facility. In other words, they saw a business opportunity with the closing of an elevator!

A fire at Stomp Pork Farm Ltd. in February 2001, which put 10 people out of work, caused community leaders to look at what opportunities may come out of this disaster. Within a matter of weeks, the community formed the first New Generation Co-op. They committed $10 million to form the Leroy Agra-Pork Co-op, which became part of a $35 million integrated pork operation. This will employ 50 people and utilize 800,000 bushels of local feed grain or the total production from 100 quarter sections of land.

The important thing is that the community of Leroy has turned the corner. The Town and the RM population has stabilized and is on the edge of growth. They have consistently developed their infrastructure and business opportunities over the past five years. They are confident in their future as a thriving rural economy. Leroy is an example of a **Can Do** attitude and what can be done with a strong community spirit and a willingness to **think outside the box**.

How They Financed Their Projects

Innovative community-based projects such as Direct-Tec grossed over $1 million over the five years. Every community group participated and they all benefited by sharing the annual proceeds. At the end of five years, the rinks had $150,000 for the artificial ice and support equipment. This project re-inforced the impact of total community support for an idea.

Business sponsorship programs from a broad range of retail and service businesses from Leroy and surrounding communities, including the co-ops and credit unions.

Fundraising activities by a range of community service clubs and organizations who had volunteers committed to work for the good of the larger community.

Volunteer leaders willing to commit large amounts of time to the economic and social development of the community.

Local Investments vs. Outside Investments

The **artificial ice projects** were locally financed by creative endeavours beginning with Direct-Tec, which grossed approximately $1 million over the five years.

The **Leroy Leisureland Regional Park** secured approximately $600,000 for grass greens, irrigated fairways, renovated swimming pool and re-modeled clubhouse from fundraising, corporate sponsors and a credit union loan. Leisureland operates on a small cash surplus and the existing debt is $200,000.

The **Leroy Watson Co-op** purchased the SWP elevator for $80,000 but the additional costs are more than double to maintain, operate and manage the facility. The Co-op has expanded operations in the gas bar and retail service as well as farm supplies.

Leroy Agra-Pork Co-op invested $10 million into a $35 million dollar Stomp Pork Farm Ltd. venture. The Co-op has 100 members with $20,000 shares resulting in $2 million raised. Farm Credit Canada financed the remaining $8 million of debt for a total of $10 million. It is important to note that the preparation had been done and when the shares were released, it took approximately 48 hours to get the $2 million commitment from the community.

The New Generation Co-op selected 100 shareholders because it matched the need for 100 quarters of feed grain. It was also a good number to fit the thirty kilometre radius of each site for manure distribution. There will be options for new members when they expand.

Strong support from the **Leroy Credit Union**, who have continued to expand and finance business and service opportunities within the community.

Jobs Created and Other Economic Spin-Offs

In total, approximately **100 new jobs** have been directly created in the community since 1990. People from the region will fill most jobs. However, Leroy expects to attract at least **10 people to re-locate** to the Town or RM. This is the start of re-building the community.

The new integrated **Leroy Agra-Pork and Stomp Pork Farm Ltd**. will create 50 jobs. Local jobs created with the development of Stomp Pork Farm Ltd. during the 1990s and the impact of 10 lost jobs with the February 2001 fire underscored the importance of local employers.

Leroy Leisureland Regional Park expansion has created a five to six seasonal full-time and six to eight seasonal part-time jobs.

The expansion of the **Leroy Watson Co-op** with a new service station, the purchase of the SWP elevator and the expansion of the farm supply service created an additional five full-time jobs.

The expansion of the pork barns requires a **commercial truck and car wash** with one full-time employee and the development of a **Feed Mill** with six employees.

There will be **150 construction jobs** involved in the construction of the Leroy Agra-Pork Co-op and Stomp Pork Farm Ltd. joint venture facilities and Feed Mill over a period of one year.

Local **retail and service businesses** have expanded their staff to accommodate the growth in the community.

The Keys to Success

Don't be afraid of trying something new. Leroy has tackled a number of large ventures ... and some different ideas that had not been done before. This did not stop them. Direct-Tec was a great training ground for future projects. It involved everyone and everyone benefited.

Must be looking for economic change. The urgency to do something must be present within the community and there must be tangible economic benefits. Leroy Agra-Pork Co-op offers 8% annual Return On Investment plus a market for barley at increased value and natural fertilizer at a great price.

Helping those who want to do something. Whether it was Ivan Stomp of a community project, there was good support of the leaders who had an idea. Leaders are needed, but you also need strong support for the leaders' initiatives.

Build on the strengths of local farm practice. Direct-Tec was based on the expertise of local farmers striving to adapt the latest technology in conservation tillage and direct seeding. The community embraced the benefits from expanded hog production.

Build on the strengths of existing business. In particular, the Leroy Watson Co-op, the Leroy Credit Union and Stomp Pork Farm Ltd. were instrumental in moving forward.

Create a common community vision. Direct-Tec was a huge project, which required large numbers of volunteers and was successful only because of full

community support. Plus, every community group benefited from their participation.

Utilize the expertise of local entrepreneurs willing to work for mutual benefit. Ivan Stomp's willingness to look for a win/win relationship with the community.

Involve professional legal and financial advice at the beginning. This is absolutely essential for the success of a complex business arrangement. This is expensive, but is the best investment a community can make.

Roadblocks

Our own attitude to change – Before 1990, Leroy was not much different than other rural communities across the province. There grew a realization that the community was on a downward spiral and could disappear. The **solution** came from the core leaders who were able to articulate a vision and convince the larger community to take action.

Loss of Infrastructure such as the hospital, the Pioneer and then the SWP elevators. The initial feelings of anger were quickly replaced by the realization of new business opportunities. The **solution** was to negotiate with SWP and purchase the elevator and continue to use as condominium storage.

Pettiness and jealousy of success can provide roadblocks or split a community. The **solution** was good communication and an effort to provide benefits to a large number of stakeholders in every project so that everyone could win.

No primary highway access has been a long-term problem for the community. The **solution** was in expanding local business (Stomp Pork Farm Ltd.) and a continued lobby of the provincial government. The expanded business pushed highway use over the threshold making improvements cost-effective from a provincial point-of-view.

A lack of community focus can divert focus. Experience taught Leroy to get all community service groups and sports organizations together and focus on one project at a time. The **solution** is a common vision for the next year or two.

Don't give up too quickly. The community faced a number of barriers on every project. There were lots of reasons to quit. But the leaders did not quit ... and kept looking for a solution or a detour to the problem.

Opposition to local projects can be a problem. The **solution** was open communication with concerned parties at all times to avoid conflict within the community. At the same time, to have the resolve to move forward, knowing that we will never have 100% support on all projects.

The Next Project(s)

Expand the pork operations within one year with a second 5,500 farrow-to-finish barn. The idea is to build on the existing business strengths with new innovations.

Expand the use of the SWP and Feed Mill with other value-added processing.

Repatriate ex-Leroy residents to work in the growing ventures but also to attract retirement age people to enhance the community.

Summary

On first glance, there are no good reasons why the village of Leroy should continue to exist. It is not on a main highway and only minutes from Humboldt, Lanigan and Watson, all larger centres with full facilities on major highways. **But Leroy not only exists, it is growing!**

Why? The determination of a group of credible leaders to maintain their community. **How did they do it?** By focusing on ensuring the basic social, recreational, and cultural amenities were present and available within the community. They knew people may work in their community, but would not re-locate unless the lifestyle amenities and opportunities existed for their children such as minor sports (hockey, curling, little league ball, swimming, golf, etc.).

The leadership has the confidence to see obstacles as opportunities. For example, when the SWP elevator announced closure, the local retail Co-op saw a business opportunity. The Co-op bought the elevator and opened a seed, fertilizer and crop protection business and hired more staff. This will support the multi-million dollar feed mill recently built to supply the hog barns. Second, the community's openness to be flexible in keeping banking services in their community through sharing days of operation with a neighbouring community. **Innovation is the key to success and prosperity.** Leroy is leading the way.

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Pie-in-the-Sky Community Development!

How the Community Created Opportunities

The reclamation of Manitou Beach, as a resort community, was an economic miracle. When fire destroyed the Chalet mineral water swimming pool in 1983, the community's last tourist attraction, the local economy appeared doomed. But the fire turned out to be the spark for a new initiative to rebuild not only the pool, but the community as well.

Manitou Beach was in its heyday in the 1920s and 1930s when it was the premier vacation and holiday location in western Canada. Its facilities included enclosed swimming pools, hotels and three dance halls that featured leading big bands from across Canada and the United States. Some came simply for recreation, some for vigorous entertainment and some for therapy, as they took advantage of the healing powers of the natural salts in the lake.

Manitou Beach began its slow slide into decline in the early 1960s. With improved highways, travel trailers and economy air travel, prairie people were increasingly leaving the province for their vacations and recreational activities. The West Coast, Rocky Mountains, Hawaii and various locations in the United States became premier holiday destinations. By the 1970s Manitou Beach had become a shadow of its former self.

By the early 1980s the resort had failed. The beach had been operating in the same manner since the 1930s. The supporting businesses had closed. The tourist trade had essentially collapsed. The Chalet swimming pool remained open, but it was very old and shabby, and the fire that destroyed it sounded the death knell. It was the last straw. The total collapse of the community appeared imminent.

However, a small group of business leaders and community residents had an idea. Most people thought it was a waste to try and re-build a dead community. Almost in defiance, the planning group of about 12 people decided to focus their marketing development on a **health-based** mineral spa. They were astute enough to know the health aspect was a growing market but that recreation was still a feature that would also draw people to the resort with a modern appeal.

The group held over 200 meetings, meeting every Sunday for four years. The committee got to the stage of believing that a new hotel would be necessary to accommodate the people who wanted to take advantage of the spa. Builders estimated the combined hotel and spa would cost from $6 to $8 million. They decided to begin with the spa and purchased the same lots on which the original swimming pool had stood.

They tried to sell the project as an investment but it was a hard sell. They then decided to commence fundraising and design work at the same time. The group considered it an essential move if they were to convince potential investors that something was actually going to happen. They started spending money before they had any. In retrospect this turned out to be the best decision because it created a sense of optimism.

They had no experience in raising capital and after a major effort had only $18,000. The planning group committed to investing $15,000 each, but would add this money a little at a time. About 12 people committed to this process and created the perception that fundraising was moving ahead quickly. At the same time, the government formed a venture capital program providing a 30% tax credit for investors and a promise of a $500,000 grant, if the community could raise $450,000. This made all the difference and soon the committee had $1.3 million. This was still short of the $2 million required to start the spa.

Once again, amid considerable criticism this time, the committee decided to just do it. They looked for creative ways to reduce costs. Once construction started, the rest of the investment money came in. The spa opened in early 1988 with the idea of running only during the summer months. But it was so popular, it could not be closed down.

The hotel fundraising started soon after, with a similar government incentive program and construction began. The hotel cost $4 million and opened in 1991. This spurred a great deal of activity in ancillary business ventures that rallied very quickly to be part of the re-building of a vibrant resort community.

Thanks to the key leaders there is now: a hotel and spa, several new motels and bed & breakfast establishments, a renovated and re-energized Danceland Hall, one of the best golf courses in the province, a fully serviced RV park and campground,

one of the last operating drive-in theatres, professionally developed ball diamonds and horse shoe pits hosting national events, Winterfest dog sled races on the lake, cross-country skiing, fire pits and year-round entertainment at Danceland.

How They Financed Their Projects

Personal business investment: The magnitude of the commitment by a core group of leaders is hard to understand. There was magic in the dream because there was enormous investment by the core group, who sacrificed their family time and personal investment for a number of years.

Community investment: The leaders were able to capture the imagination of enough people to get the first project, the mineral health spa, constructed. The community owned hotel was a little easier because of the unexpected success of the mineral health spa.

Government tax credits: This proved to be critical to get the project moving. The 35% tax credit was the carrot to eventually attract $2.2 million in local investment for the spa. A major infrastructure project, of this magnitude, required substantial government partnership ... and the government has reaped a large return on that investment in terms of taxes from increased wage earners and new business.

Local Investments vs. Outside Investments

The amount of investment required to completely re-build a resort community had to come from outside sources. However, it would never have happened without the seed of an idea that was amply watered and nurtured by local investors and entrepreneurs.

It is interesting to note the high level of emotional capital acquired from people who had a positive past history at the resort, and were intrigued with re-building for a new market.

The role of government was critical to the development and renewal of the community. The best support from government has been through tax credits, as an incentive to encourage local people to invest in their own community. Plus, Saskatchewan people respond well, historically, to methods of tax avoidance.

Jobs Created and Other Economic Spin-Offs

By the time the hotel was completed, there were over 100 permanent full-time jobs created in the Manitou Beach area, bringing in over $2 million in annual payroll. This included the staffing of ancillary restaurant, hotel and motel businesses that sprang up on the enthusiasm of the health spa.

The community of Watrous has also seen direct benefits including increased population and increased retail demand that recently brought a third retail grocery store to the community. The Home All Hardware built a large facility at the east edge of Watrous on the road to Manitou Beach.

Two condominium complexes have been built in the past two years to support increased population and seniors who wish to be near the Manitou Spa.

The success of Manitou Springs Hotel & Mineral Spa gave local people the confidence to finance and build Mid-West Inland Terminal, just south of Watrous and to pursue a feedlot with a neighbouring community and a large hog operation.

The Keys to Success

Be prepared to think radically and have a clear vision: There was a clear vision of a renewed Manitou Beach that captured the imagination of the community. It was driven by core leaders who were credible business people and very optimistic about the project. They communicated well with investors and did not let little things get in the way. The leadership were united in the vision and met every Sunday for four years. Mutual support was necessary because, at times, every one of the core group members became discouraged, but the others lifted them up.

Individuals make the difference: It only requires a few people with a dream. If they are already credible business leaders in the community, people will mobilize to support their efforts. Leaders who are willing to invest both time and money up front to create an impression of action. Bold action builds confidence, enthusiasm and credibility in the leadership and the project.

Build on your natural strengths: What did Manitou Beach have in terms of strengths? The obvious was the rare feature of therapeutic mineral waters with amazing healing powers. They were the first Saskatchewan venture to promote the health features of prairie mineral spring water. Later, Temple Gardens in Moose Jaw took the same approach based on the success of Manitou Beach.

Government must be a willing partner: There was strong government support for the spa and hotel based on the vision of the leadership. The renewal would not have happened without government support, in terms of tax credits to raise local money. There was strong support from several key government officials in Economic Development.

Just do it!: Be willing to take action: Once the community had raised $450,000, which triggered the government's $500,000, a momentum continued until they had $1.3 million. But this was still short of the $2 million required to build. The leadership decided to "just do it" and started construction. They looked for creative ways to reduce costs. The irony was that more investors came forward once they saw the venture was going forward, and they soon had the required funds.

Start one new project per year: The community did not stop with the spa and the hotel. The golf course was re-built with grass greens and irrigated fairways. The campground and trailer park received a major upgrade providing washroom, shower and laundry facilities as well as an upgrade to spots to handle tents to motor homes. Manitou Beach has one of the last drive-in theatres that is very busy and they boast a world class covered, horseshoe park, which has hosted national events.

Partner with surrounding communities: Watrous was the logical partner because it is only four km from Manitou Beach. At times, some of the Watrous community at large was a reluctant partner in the rebuilding, but there were individuals in Watrous who had a major impact on the success.

Roadblocks

It is safe to say Manitou Beach had every barrier you can imagine to overcome. It was a declining hamlet with no winter water or sewer, or any other significant services. Any buildings left were very old. In many ways, the community was dead and there was little hope.

Community scepticism - It can't be done: This was a major challenge particularly in the face of massive agriculture and rural crisis in the mid to late 1980s. It required a great deal of clarity of purpose plus having an intuitive sense of what the community wanted and what it would support at that time. **Solution**: The solution was involving successful business people in the core group who already had a market sense of the community and an intuitive ability to sense what the community would support.

Investment capital: Like other communities, there is a limit to the amount of capital that can be mobilized locally. There were many attempts and strategies used. **Solution:** The ultimate solution was support from the provincial government. This was a partnership in many ways. The government of the day announced a venture capital program that provided a 30% tax credit. Plus there was a commitment to provide a $500,000 grant, if the community could raise $450,000. It worked.

Maintaining village infrastructure: The community could not maintain a full-time Village Administrator and maintenance equipment and had very little capacity to support action. The Mayor, at a point of desperation, used some school tax for village maintenance, resulting in a lawsuit. But this was the necessary courage required to spark community interest in renewal. **Solution:** The interim solution was to share an Administrator and municipal equipment with the Town of Watrous. This also had challenges as Manitou Beach always came second to the priorities of Watrous. The leaders persevered and once the spa and hotel were operational, the tax base was sufficient to have full-time administrative services to the community.

Ownership controversy: Community ownership was critical to the initial success of the spa and hotel development. But, after years of operation, the question arose as to whether the community should continue its ownership managed by a volunteer board? A different strategy was required to efficiently manage the operation in a competitive market and continue to develop into new areas. This created a great deal of local tension at the time. There was a broad range of views. **Solution**: The leaders believed all successful ventures require professional management. One of the key leaders took the initiative to purchase the operation with an offer that bought out shareholders at 90% on the hotel and 100% on the spa. The spa had paid a dividend in the early years and everyone had the benefit of a tax credit on the investment. The management is now very focused on profits and growth, which is the basis for any successful business enterprise.

Leadership succession: The re-building of Manitou Beach was led by a group of business leaders and early retirees beginning in 1983. Almost 20 years later, it is essentially the same group of 10-12 leaders who continue to push the community forward. **Solution**: The community is just dealing with the issue of leadership succession. They are involving younger people at every stage. For example, the community has got behind a young mayor who has energy and a belief the community can still be much more in the future.

Competitors - Temple Gardens Mineral Spa, Moose Jaw: This was a potential competitor and barrier to the growth of Manitou Beach. However, they saw the development of the Moose Jaw facility as a complementary business, which endorsed the health spa concept and a partner in lobbying for official recognition. Bus tours were arranged to take tourists and health enthusiasts to both facilities, because both have a different combination of salts and healing features.

The Next Project(s)

The spa and hotel clearly anchored the community and set the stage for future growth. The community barely has village status. They are determined to maintain their independence at this point, but merging with Watrous is likely the best for the future. Watrous and Manitou Beach are working more closely together. For example, they just launched a new web site in January 2002 and have an aggressive joint marketing campaign with radio and TV spots.

Municipal water and sewer system: The next lunge forward will be the provision of a municipal water system for year-round quality water. This will be the key to anchor the future development of the community. Currently, this is a major drawback to business growth and to people building cottages and investing further in the community.

Develop a recognized holistic health centre: The goal is to be recognized by health authorities for the healing effects of the mineral water and develop a series of clinics and therapy facilities. The waters are more therapeutic, with more healing powers, than the Red Sea. Many local people do not see the value, but the majority of clients and visitors come from British Columbia, Alberta and the United States. The leaders know there is an increasing demand for this type of health service.

Become a western Canadian convention and entertainment centre: Manitou Beach is centrally located and with increased services will become a major centre for conventions, given its year-round sports and recreation facilities and programs, coupled with the mineral water.

Support regional ventures: Manitou Beach will be as strong as the surrounding communities. The leadership understands it is important to support the development of other ventures. For example, there was support of Mid-West Inland Terminal and ongoing support of hog and beef operations in the region.

Support Prairie Springs Mineral Spa and Hotel Complex, Wilkie: To support Wilkie in the development of their health spa and hotel facility, as a third venture in Saskatchewan. This is a strategic approach in getting the province to recognize the health aspects of mineral water. It will help make Saskatchewan a tourist attraction for people interested in mineral water treatments, because each location is slightly different.

Summary

Manitou Beach was one of the first communities to undertake massive rural renewal. They are further down the development curve than most other communities and are struggling with issues that other communities have not yet faced. These include sustaining the vision, energy and level of development activity.

Rural renewal has not been easy. There have been massive challenges along the way and some controversy within the community at each step. Most recently was the risk of losing Danceland to an Alberta investor who planned to move the facility out of the community.

Key challenges are:

Retaining the long-term vision of a first class destination location: The fear is the community is stabilizing around a "second" rate status given its relatively small size.

Leadership renewal and succession to sustain annual action towards the vision.

Manitou Beach has a renewed relationship with Watrous. It is a unique community that has natural geographic features, central to the province and easy access on good highways. The future is bright but it won't be easy. But the community now has a track record of **doing the impossible!**

"There is passion, energy, enthusiasm and vision in most communities. It takes some basic organizational structure to pull key leaders together to make it happen. We constantly fed on each other's energy, which helped, because we all had turns of frustration. There was always someone who was enthusiastic and kept us going. As a committee, we took bold action and took risks, such as proceeding with the planning and construction of the spa before we had all the money. This created a lot of controversy at the time but, in my opinion, if we had not acted boldly it would have never happened."
Murray Westby, planning group member, Past Mayor of Watrous

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Meadow Lake

If you believe in success – It will become a self-fulfilling prophecy!

How the Community Created Opportunities

Meadow Lake is a community 150 km north of North Battleford. It is relatively isolated and viewed as the northern fringe of the southern plains and the southern fringe of the North. The population of Meadow Lake has grown from 3,500 in the year 1970 to 6,300 by 2000. The RM of Meadow Lake has the second highest population (2,800) in the province. The community serves a region of approximately 30,000 people. **Why the rapid growth?**

The forest industry has been the primary driver. In 1971, Norsask Forest Products Inc. was developed by government and struggled through an exchange of ownership between government and the private sector for a number of years. In 1988, after years of consecutive losses the mill was scheduled for closure. **This was a turning point. The leaders realized if they lost the lumber mill, the local economy would suffer greatly and job opportunities would be lost for both Aboriginal and non-Aboriginal peoples.**

The Norsask Forest Products Inc. employees made a bold offer to purchase the mill together with the Meadow Lake Tribal Council (MLTC). Their successful initiative made all the difference.

Local leaders realized government could not create their future and large corporations would not save them from decline. They had to do it on their own. One of the first steps was to take control of the development of the forest industry. Their confidence grew with each successful step and during the 1990s a number of complementary forest industry ventures developed.

The Meadow Lake region has traditionally been a strong agricultural economy with productive soils, a favourable climate and above average yields. The agricultural community has been struggling to adjust to the changes in the global grain economy. There have been a number of initiatives of diversification and value-added such as a co-op seed cleaning facility and a stock yard with a feedlot in the planning stage and more plans are on the horizon.

The region diversified into cattle 20 years ago due to the rationalization of the grain collection system. From 1980 to 2000, the acreage of annual crops has dropped 40% in support of forage and pasture for livestock. The Goodsoil and Loon Lake areas have the largest concentration of livestock due to the closure of grain elevators in the early 1980s.

Due to the distance from markets, there was common interest in looking at higher value niche markets or more value-added, such as increased livestock production and feeding. The specialty livestock sector, such as elk and buffalo is expanding and will fit the growing tourism industry.

Tourism is an emerging sector and along with agriculture there are opportunities for both to merge with the forest sector to take advantage of new market trends in bio-products or the life science economy.

The majority of the economic growth has come from the service industries supporting the growth in forestry, tourism and agriculture. This includes the retail sector, schools, hospitals, post-secondary training institutions and government employees. For example, farm machinery dealerships have quickly modified their equipment line to also service the emerging forest sector.

How They Financed Their Projects

There are a number of community initiatives which have supported local growth. These include the development of recreation, social and cultural facilities and programs, which have culminated in a new hospital, an aquatic centre and the first joint Aboriginal and non-Aboriginal High School in Canada. All of these initiatives were locally driven and core funded by local people.

The Meadow Lake Tribal Council and Norsask Forest Products Inc. employees initiated the acquisition of Norsask Forest Products Inc. Based on a sustainable long-term plan by the Meadow Lake Tribal Council and the employee group, the provincial government also invested in the remaining 20%.

The financing strategy was to put one or two people in charge of leading the fundraising for each project. Fundraising was done as a campaign in a very strategic manner that involved a great deal of communication with the public and strong promotion from the local media.

Local Investments vs. Outside Investments

There has been a combination of both local investment and outside investment in the community. The initiative for the business development was locally driven. Later in the stage, the community investors and entrepreneurs searched for the best external partners they could find to build successful business ventures.

The community raised $1 million for the new hospital, which was completed in 2000. They raised nearly $1 million for the addition of a larger gym and a theatre and arts complex for the high school. The community also supported a co-op seed cleaning plant with a grant from government. On the recreation side, they fundraised $1 million for a huge aquatic centre, the envy of many cities, followed by a grass green and irrigated fairway 18-hole golf course with a new club house.

Millar Western together with Meadow Lake Tribal Council and the Province of Saskatchewan built the world's first successful zero-liquid-effluent-discharge pulp mill.

Currently, the British Columbia based Tolko is in the final stages of establishing an Oriented Strandboard (OSB) facility in co-ownership with the Meadow Lake Tribal Council. This will be operational in 2003 and employ another 260 people in the region.

In summary, external partners are essential for financing (investment capital) but, more importantly, for their management expertise and access to markets.

Jobs Created and Other Economic Spin-Offs

The stimulus for job creation came from the **growth of the forest industry**. Initially this meant sustaining 100 jobs, but when the employees and the Meadow Lake Tribal Council took control of Norsask Forest Products Inc., they went into a rapid expansion that resulted in attracting Millar Western Pulp Mill.

Community leaders report there have been more jobs created **indirectly** as a result of the growth in the forest sector including trucking, restaurants, hotels/motels, housing, retail shops, schools, RCMP, professional services, hospitals and other industrial suppliers to the forest industry. The result is a doubling of the population of the community of Meadow Lake and an increase in the RM of Meadow Lake due to over 200 acreages.

A clear indication of a super-heated local economy is the fact that the **cost of housing** in Meadow Lake has been similar to Saskatoon for the past 10 years. This is due to the steady growth of businesses and the relative shortage of housing. The result is a sustained strong local construction sector.

Tourism is growing with the improvement of recreation facilities and opportunities. Currently tourism attracts **250,000 visitors per year**, which is becoming a major industry. Most of the jobs are in the service industry or are part-time in the recreation sector. More permanent jobs will be created as tourism continues to expand.

The Keys to Success (Lessons Learned)

Meadow Lake is no different than other rural Saskatchewan communities. The leaders emphasize that in the 1970s and 1980s they faced the same dilemmas of rural decline and frustration with the loss of young people and the decline of infrastructure. The critical event was the announced closure of the NorSask lumber mill in 1988, which would have severely hurt the community. The community focused on the natural advantages and made a strategic move into a sector that had been failing in the past ... and they made it work.

Focused business community: There has been strong leadership from the business sector particularly the Chamber of Commerce (33% of businesses are members representing 75% of the work force) and other community service clubs.

First Nations leadership. The success of Meadow Lake is at least 50% due to First Nations leadership and the vision of the leaders to build a better society. There was a determination to make changes and a willingness of both sides to work together with mutual trust. Both cultures worked together and accomplished things that had not been done before in the forest industry, the school system and in the service and retail sector.

For example, the Meadow Lake Tribal Council prepared a detailed **20-year economic development plan** with one of the goals being the creation of 3,000 jobs. Halfway into the plan they are on target and are currently in a review to make revisions and adaptations. Most communities do not plan 20 years in advance, but this has provided a unique perspective on the future of the community and surrounding region.

Utilize new people. Local people can be reluctant to change and can be focused more on how to preserve the status quo, where new people can

easily see the opportunities for innovation and adaptation. Leaders have been quick to include new people in community organizations. This has helped stimulate new projects based on creative solutions to common barriers.

Community pride. The downtown has been revitalized with improved sidewalks and additional lighting as part of the Communities in Bloom Federal Infrastructure Program. This has extended to other parts of the community where volunteer efforts have been made to improve the aesthetics of the community. This has had a positive effect on morale and community pride.

Build national and provincial recognition. Meadow Lake applied to be the Forest Capital of Canada in 1995 and won the right to present the Governor General with a Christmas Tree. The community hosted provincial sports finals such as the Provincial Brier Tankard in 1999. Meadow Lake recently received national recognition for having the first joint Aboriginal and non-Aboriginal High School supported by a joint School Board. These activities have pulled the community together and created great local pride and accomplishment, plus these events drive the service economy.

Communications: A community on the move has a huge communication challenge. The importance of the local media is essential in getting the message of adaptation across to the public. Local radio and press has played a major role in mobilizing the community around projects particularly in supporting local business.

Roadblocks

Distance and isolation. Meadow Lake is a long way from markets and other services such as university or government leaders in Regina. **Solution**: Based on the realization that no one will save the community but themselves, a determination and resolve to take matters into their own hands overcame the distance and isolation from markets.

The Indian Act. Worked against First Nation business development because all reserve status land is unsecured for long-term investment. **Solution**: Incorporate business ventures outside the reserve and work around the Indian Act to break the vicious circle of business failure among Aboriginal people.

Cross border shopping: Meadow Lake is one hour from Cold Lake and two hours from Lloydminster and tax-free purchases. Plus, Meadow Lake and region is part of the Big Box Shopping Radius for the super-stores in North Battleford. As highways and transportation and communication become easier, there are more reasons and rationale to shop outside the region. **Solution**: A two-part campaign to first, communicate the importance and economic spin-offs of shopping locally (money cycles in the community five to seven times before leaving) and second, a promotion and prizes for shopping locally. The media is a key player in making this a success.

Shortage of skilled labour: As industries develop, there has always been a shortage of skilled labour. **Solution**: There are a number of post-secondary training institutions with branches or programs in the area to service Aboriginal and non-Aboriginal people. There has been a special effort for training on-the-job to suit the skill acquisition requirements of employers and employees. Also an aggressive program to attract skilled workers to the area.

Shortage of professionals: It is hard to attract people to a remote rural community. **Solution**: To develop a "life-style" package demonstrating that the amenities of a larger city are available in Meadow Lake. It is easier to draw people within the province, but hard to draw qualified people from Ontario, Alberta or British Columbia. This would be made easier if there was a complementary provincial program by the Provincial Chamber of Commerce or by Government to attract people to the province.

Exodus of youth (brain drain): We have this problem as much as any community. **Solution:** You can view it two different ways – a problem or an opportunity. *"As an opportunity, we want our kids to get out and see the world, to gain experience and get a broader perspective. Some are returning for a combination of family, lifestyle and job opportunities. There is more to life than what you do at work."* Quote by Ron Tetz, Newspaper Publisher, *Meadow Lake Progress.*

Getting different groups to work together. **Solution**: Communication, communication and communication. The key business and community leaders knew there was no option except to work together. Regional Economic Development Authorities helped as well as a very strong local newspaper with a mandate to promote the local economy.

Government bureaucracy and red tape. This was always evident in trying to do something new. **Solution:** View Government as a partner and treat them as a partner. It takes time and perseverance with some of the projects. Leaders were willing to drive to Regina for a 10-minute meeting with a Cabinet Minister and that made all the difference.

The community also made very good use of our MLAs and MPs.

Transition of leadership. This is an emerging issue for both Aboriginal and non-Aboriginal people. The core leaders (elders) that led many of the initiatives in the 1980s and 1990s are getting older. Young emerging or potential leaders are very busy with career, dual income families and little volunteer time. **Solution**: A conscious effort towards a succession plan for community leadership. Efforts are being made to creatively include young leaders in a manner that gives them experience. Recognition that the **role of the volunteer** must change and become more structured and professional with increasingly less time for volunteer work by young leaders.

The status quo crowd. People's perception of the vision can be clouded and not everyone wants change. There is always the "Let Government Do It, I Pay Enough Taxes!" response to change. **Solution:** A communication strategy that involves constant communication from a number of sources. The main strategy is to develop a plan, communicate the plan, listen to the feedback, make adjustments ... and then have the courage to **just do it!** Some will always be against it.

The Next Project(s)

There are a number of projects in the works within the forest, agriculture and tourism industry plus within the community to continue to build the social, recreational and cultural infrastructure to attract and retain people in the community. The major projects include:

Tolko: This British Columbia based manufacturing company is in the final stages of building an Oriented Strandboard plant (OSB) that will become operational in 2003 and will employ 260 people directly and indirectly.

Increased Livestock: The community is well into the planning of a cattle backgrounding and feedlot facility that could include the addition of an ethanol plant, as a second stage. Composting of manure and wood products are to be part of a strategy to attract a pork production facility.

Agro-forestry: This holds great promise as the forest industry grows and the First Nation's Treaty Lands and other agricultural land has been assessed for best economical and sustainable use. Co-generation of electricity from wood waste and steam from plants is considered to heat greenhouses for vegetable production.

Non-Food Use: There is interest in non-food use markets for agricultural crops. There are emerging opportunities for bio-industrial (plastics and fibre), bio-energy (ethanol and bio-diesel) and bio-medical (nutraceutical) uses. This could be developed in association with the forest industry and includes the non-traditional use of farm land.

Senior housing and support: This is a growth industry with an aging population (> 75 years) and an economic opportunity in providing services to keep seniors in the community. There are plans to build special housing and services to keep seniors in the region.

Retirement Community: Plans are in the works to develop and promote the Meadow Lake area as a prime retirement community for seniors ... a rapidly growing sector across Canada. Meadow Lake is very attractive with all the amenities for social, recreation, culture and arts within a natural environment.

Summary

Leadership: First Nations leadership has played a major role in the growth of the Meadow Lake region. A long-term vision is critical to anchor the community and provide a base for sustained growth. The leaders were determined and would not be deflected by roadblocks.

Money/Finances: It is interesting that Meadow Lake did not have a problem with financing. They were able to raise the required finances when required. There are two reasons: first, a track record of success on a number of smaller community-based projects; second, the ability of the leaders to articulate a vision and to generate enthusiasm for the projects.

Must Keep on Moving: *"Complete one project but have another in mind. Start small and have a number of successes to build larger projects. There is never one project that will save the town. It is a series of projects that must be on-going. It is a never ending series of projects and events that will sustain your community and hopefully make it grow."* Donna Aldous.

Positive Attitude: Meadow Lake has a positive self-image and a positive attitude. The optimism has become infectious. Even when Clearwater Mills closed recently and 70 jobs were lost, it did not have a negative impact. People looked at what else could be done. **They are confident in themselves and convinced their community will continue to grow and prosper!** *"If you believe in success – It will become a self-fulfilling prophecy!"* Henri Lazar.

KEY COMMUNITY CONTACTS AND PEOPLE INTERVIEWED

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Ogema

We simply choose to opt out of rural decline!

How the Community Created Opportunities

Ogema is a small village incorporated in 1910 as the CP Rail line extended through the south. **Its population has increased from 390 to 420 in the past two years**. It is located along Red Coat Trail (Highway #13) about 80 km straight south of Regina, 80 km east of Assiniboia, 80 km west of Weyburn and 80 km north of the U.S. border. It is a mixed farm and ranch community.

Given its strategic geographic location, the town had always considered itself to be **a hub** for the surrounding communities in terms of basic services. However, the rationalization and consolidation of infrastructure in the 1980s and early 1990s slowly re-positioned Ogema to be isolated on the outer rim of larger hubs (Weyburn, Assiniboia and Regina) with a 50-mile service radius.

The **wake-up call**, however, did not come until 1995-96, when the closures of a SaskPower office, the CP Branch line, the local elevators combined with the impending loss of the school became a call for action. The K-12 school boasted almost 300 students in the mid-1970s but was now less than 100. The community leaders believed if the school closed everything else would follow and the town could easily disappear.

A series of community meetings were held and options were explored. The general consensus was to look for an all-encompassing project to stabilize the community, create jobs and save the school. They decided to challenge the rationalization of rail, elevators and schools and literally agreed to **opt out of rural decline** and to look seriously at the options for change and adaptation.

As a result, a number of business initiatives emerged at the same time from several directions involving different groups of regional leaders. Part of the success was the ability of each group of leaders to focus all their attention on their particular project, although mutually supporting the other ventures when required.

Red Coat Road and Rail Ltd. formed to negotiate the purchase of the CP Branch line in the fall of 1997. It was complete in July 1999 and involved villages and RMs along the 114 km of branch line from Pangman to Assiniboia. It immediately started operating with the first 20 car spot in Ogema, loaded by SWP, which had re-opened. There were 50 producer cars loaded in year one, 100 in year two with 300 planned for year three. It is the first "community-owned" short line company in the province and has operated in the black the first two years.

Key leaders from every community were represented on the Advisory Committee. There could be no weak links in this chain of optimism. To date there have been seven Saskatchewan Wheat Pool (SWP) elevators purchased along the rail line by communities, small groups and individuals, all committed to make the business successful. A producer car loading facility has been built in Ogema with more planned in key locations that do not have a commercial elevator.

At the same time, the **South Central Hog Group** formed to look at a community hog venture. They had no previous experience in hog production but were excited about the benefits. They made an extraordinary effort to communicate the pros and cons of large hog operations and did not hide the down-side. In general, the community agreed the pros out-weighed the cons and there was essentially unanimous agreement to proceed. The initial discussions were for a 2,500 sow farrow-to-finish operation, but the community was so excited they were willing to experiment with a 5,000 sow unit, which was the **first one of that size in Canada**. Now that's optimism and courage! And it worked!

How They Financed Their Projects

Individuals and small groups within the community raised the initial capital to get both key projects moving. This was important to create momentum. For example, the proponents of South Central Hog Group found it was easier to find 10 people to invest $10,000 to get the project rolling, than a 100 people to raise $1,000. It worked. The funds were raised within a matter of days. Once the project was operational, the 10 initial investors were re-paid.

Red Coat Road and Rail Ltd. ran into barriers raising conventional capital (equity and debt). The solution was to raise all of the initial capital locally. In a very short period of time, local farmers

contributed $190,000, the RMs $90,000 and 10 individuals $130,000 in personal loans for a total of $440,000 to get started. Once this was accomplished, Red Coat Road and Rail Ltd. was able to secure bank financing and support from the federal government infrastructure program.

In summary, it required a dedicated group of leaders who believed in themselves and their community and were willing to put risk capital on the table to create action and momentum.

Local Investments vs. Outside Investments

The community knew a major project initiative was required to save the community and that they needed a partner. There were no other options. It is interesting that **Big Sky Farms** initially believed Ogema was too small for such a large operation and too remote from its other operations in Northeast Saskatchewan. However, the community sold Big Sky on its capabilities and commitment to the project and the deal was made.

The community understood how to raise local capital and how to leverage it to gain the required external investment capital. This outside investment was very necessary to access management expertise and to secure markets.

Jobs Created and Other Economic Spin-Offs

The projects created approximately **90** jobs over two to three years in Ogema and region and initiated a domino effect of growth. The community attracted employees from a radius of 50 km and drew new people to re-locate to Ogema.

It started with the Health Facility in Pangman that came out of the hospital closure, which now employs 17 full-time people in the region.

The major employment booster has been the $33 million **South Central Hog Group** (Big Sky) with over 50 local people employed for the construction period and 45 full-time staff and 8 part-time with an annual payroll of $1.3 million. South Central Hog Group required three experienced managers who have moved to the community. Other young families and single people have also moved in with more expected.

The $2.5 million **Big Sky Feed Mill** employs three people full-time and 80% of the feed grains (feed wheat, barley and peas) are sourced locally and has the capacity to supply a second 5,000 sow operation. Local truckers bring 80,000 bushels per month or about 80 loads, which creates more jobs.

Ogema Welding and Machine grew from a one-man welding shop to a staff of over 30 during the peak construction period of South Central Hog. The capabilities and experience gained during this construction period has resulted in regular contracts for welding and machining from a 100 km radius enabling Roy Stirling to stabilize at 12-14 full-time people. This is a major spin-off business that has additional impact within the community.

Butte Industries, an established manufacturing company 4 km south of Ogema is an APEX winner for new inventions and continues to expand their operations.

Red Coat Road and Rail Ltd., based in Viceroy contracts the equivalent of five rail management and crew services from South Lines Rail, operating a branch line just to the north based in Avonlea.

Producer car loading facilities are developing from SWP elevators purchased by communities and entrepreneurs along the rail line from Pangman to Assiniboia and will create an estimated 10 full-time jobs in total. A private producer car loading facility has been built in Ogema and more will be constructed where there are no commercially operating elevators.

Local retail, trade and service industry have benefited from expanded business and increased population. Economists estimate capital circulates five to seven times (the multiplier) within the community before it leaves so that literally everyone in the community derives benefits from increased economic activity.

Last, and most important, the momentum in Ogema has attracted an entrepreneur back to the community. Dana McCracken and Charlene Kluz McCracken were working in the steel industry in Iowa. They were excited about the news in Ogema and they wanted to come home. They found a fencing company for sale on the Internet, located in Tompkins. They bought it, moved to the home farm, north of Ogema, on April 19, 2000 and on May 1, 2000 opened what became **Team Work Ag & Industrial Ltd**. The company custom built 450 km of fence and has expanded into metal fabrication. In less than two years it has grown to **15 employees** with two families (seven school age children) relocating from Moose Jaw to work at the fabrication plant. The McCrackens have three small children, pre-play school, play-school and kindergarten.

The acid test to **successful community revitalization**, job creation and growth is increased enrolment in the K-12 school. Ogema has the only school to increase enrolment in the school division in the past two years. Most importantly is the increase in confidence among the community.

The Keys to Success

Leaders who could facilitate, negotiate and mediate: Experienced leaders are hard to find, but Ogema had a mayor and a reeve with strong management skills who could work with a variety of points of view, in a non-confrontational manner, and seek a win/win solution that benefited the community. They could see the "big picture" and knew everyone had to be involved. This is a major success factor and a lesson for other communities.

Redefine community in regional terms: In the mid-1990s Ogema rallied to the closure of the hospital in Pangman and helped that community develop a Health Centre (EM Service, Ambulance, elder care and palliative care), with the addition of 22 Personal Care beds. This maintained health care and a local doctor and helped revive the spirit of local people. This early success helped set the stage for future regional business ventures such as South Central Hog Group and Red Coat Road and Rail. In the case of Red Coat Road & Rail the four key leaders were from the communities of Pangman, Ogema, Viceroy and Horizon.

Community economic development: Rural renewal requires re-building all aspects of the community, not only the businesses and jobs. People will only move into a community or remain in a community if the social, cultural, religious and recreation amenities are available. Ogema is able to attract workers to live in the community, and have recently attracted a retirement couple. The 12-Acre **Deep South Pioneer Museum** is one of the largest museums in the province with a complete town site of over 50 buildings. The community also has skating & curling rinks, minor hockey, bowling alley, golf course, swimming pool, figure skating, Ogema dance club, writer's club, annual Big Country Western Concert, summer rodeo and fair and a tourism program. These are all managed by volunteers. **Without these amenities there would be no community**!

Have courage - Act quickly: Avoid analysis paralysis. Get a small group together with focused commitment and then support these leaders. Discouragement arises when a community lacks vision, leadership is unfocused and distractions and delays lead to doubt and despair. Success must have a common vision combined with belief, action, enthusiasm and sustained momentum. Success then becomes a self-fulfilling prophecy.

Ability to attract the right leaders: Perhaps it was luck, but the right people came together for each project, with complementary skills, as well as a willingness to volunteer huge amounts of time and investment capital. Is this luck or do people rise to a challenge out of necessity? Certainly part of the answer is in the handful of key people who shared a larger vision and were able to communicate the vision of growth in a manner that captivated the communities' imagination, enthusiasm and support.

For example, to get the Red Coat Road and Rail started, the original group of four people negotiated steadily for 18 months with three to four meetings per week locally with some in Regina and Winnipeg. It was made easier with government support from the Department of Highways "Short Line Advisory Group" but still required a massive effort from community leaders.

Understood the time required for a project: Communities in crisis require immediate action. Ogema required a quick response to save the community, but understood at the beginning that "quick" is about three to four years. This is natural for any project, whether it is community based or a large corporation.

For example, the idea for a hog barn became a reality when one leader attended the November 1996 Pork Symposium in Saskatoon and realized Ogema had all the requirements for a community operation. Background research and a core support group were organized during the winter, which led to an interview by the community of all the integrators in the spring of 1997. Then the sequence of steps fell into place including initial fundraising, environment work, construction and finally the Grand Opening in September 2000. **There were very few delays, but it still took almost four years from idea to full operation.**

Government must be a partner: Once the community was organized and focused on action, there was good support from government staff and researchers for both the Red Coat Road and Rail (Saskatchewan Highways and Transportation and the Canadian Wheat Board) and for South Central Hog (Saskatchewan Agriculture & Food), which helped make these projects successful. This help was in terms of information, trends, regulatory compliance, access to politicians and policy adjustments.

Roadblocks

Ogema is a very small community with limited resources. They were very close to losing the critical mass of people necessary to sustain any local services at all. The barriers were many but the community refused to give up. "*Frustrations were many ... and every day there was a good reason to quit*," says Lonny McKague, Red Coat Road & Rail. "*But we were determined to succeed so we stayed focused and simply handled one situation at a time.*"

Public policy fixated on rationalization: The massive loss of infrastructure over a short period of time (hospital, branch line, elevators, roads and schools) was almost more than the community could bear. There was very little time to react. **Solution**: The simple decision of not accepting the *status quo* (gradual and continuous decline) made all the difference. Once the decision was made, at the community level, people simply started thinking about what could be done instead of what could not be done.

Fear of dealing with big government and the rail company: How does a small group of farmers and business leaders tackle large bureaucracies and corporate structure with a North American plan in mind? **Solution:** Ogema looked for friends and allies who could help with facts, information and research. They found excellent allies within the Department of Highways, Saskatchewan Agriculture and Food and the Canadian Wheat Board who helped local leaders through the mind-boggling process of purchasing the branch that was designated for abandonment. They would not have been successful on their own.

Hogs Stink! The downside to large hog operations: There was opposition and concern raised about intensive livestock operations in Ogema. The same issues raised in other communities across the province. **Solution**: Integrity. Be honest. Every project has a downside, including a large hog operation with environmental and odour concerns. The leaders led open discussions to see if creative approaches, systems and locations could address or resolve the downside to an acceptable level in order to reap the benefits. "*Yes, hogs stink, but what is the upside? How can the downside be addressed in a meaningful way?*" It was a non-confrontational dialogue, which was positive and creative seeking a win/win solution that took the community forward. The consensus was that hogs were a risk worth taking. The community already knew that doing nothing was not an option.

Lack of skilled labour has become a major issue with the dramatic increase in business. **Solution**: Roy Stirling, Ogema Welding and Machine have joined with SIAST to hold training programs for welders in Ogema beginning January 2002. The minimum number of students is eight and there are 29 men and women registered and confirmed to take the course. Graduates will easily find employment from a number of surrounding manufacturing and service industries.

The Next Project(s)

Ogema is on a roll. The community economic development committee has been re-activated and the following projects are in the "pipeline" with a very high possibility of success.

Complete the **negotiation and purchase of the SWP elevator** in Ogema by early 2002.

Develop the **Red Coat Road and Rail** system with additional producer car loading sites and encourage more value-adding along the line during 2002-2003.

Study a **seed cleaning facility** to augment the producer car loading facilities for 2003.

Construct a **full-scale truck wash** to handle the cleaning requirements of grain and livestock truckers who come to the area, from across the province, for 2002-2003.

Re-open a restaurant in town to service increased population and increased business (trucking) traffic to the town during 2002.

Expand the **South Central Hog Group** with a second 5,000 sow unit to the east of the town by 2004.

Expand the **Deep South Pioneer Museum** and work with surrounding communities in the development of an integrated regional tourism route to highlight sports, recreation and cultural features.

Develop a **cattle backgrounding feedlot** with the community of Ceylon 20 km to the south.

Initiate a **program to attract ex-patriot Ogema residents** back to the community for employment and business opportunities and also as a retirement location. It's already begun.

Summary

The attitude of the community has changed 180 degrees during the past 3-4 years with a series of successful community projects. It has resulted in the expansion of existing business and attracted new enterprises. It has improved self-confidence and excitement in the coffee shops. The community has faced death and not only survived, but has a new lease on life and is ready to re-build into a thriving community that will attract more young people and families.

"Success begets a vicious circle of more success," says Darcy Iversen. "*We are very excited about the development plans for the next few years. It is actually a lot of fun to be living in Ogema these days!"*

"It's amazing how the attitude and morale in the community has grown," says Lonny McKague. "*People have saved the community and made some good business investments at the same time."* He adds, *"Best of all, there are young people in the pipeline and the future looks good."*

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Shaunavon

If it is to be done - We must do it ourselves!

How the Community Created Opportunities

Shaunavon is a town of 2,200 people in the southwest corner of the province. It is 100 km from Swift Current and 200 km from Medicine Hat, the two closest major centres. It is smaller than Maple Creek (2,500) but with a full complement of retail and health services. It is a regional centre servicing over a dozen hamlets and villages in the southwest corner.

For years, oil and gas complemented the farming and ranching economy in the Shaunavon region and sustained the economy. However, in the early 1990s local oil and gas exploration and service companies downsized and began serving the area out of Alberta. This resulted in a loss of many local jobs and people left the community. There was a growing realization that agriculture and ranching, as a renewable resource, was really the core of the local economy. The southwest region has had a strong mix of cattle, cereals and pulse/special crops.

The pending **closure of the CP Rail spur line** across the southwest corner, from Assiniboia to Consul and back to Val Marie, plus a Saskatchewan Wheat Pool (SWP) announcement to close the grain elevators **was one major jolt to the farming and business community.** Would the agriculture sector be weakened, as well as oil and gas?

The consolidation and rationalization of oil & gas, as well as agriculture, was a wake-up call. A core group of leaders from surrounding communities decided if change was on the way, they had to control the change. Most importantly, the leadership in Shaunavon recognized their success was based on the success of the surrounding villages, hamlets and RMs. **Economic development had to be regional!**

The result was a flurry of activities to save existing rail and elevator infrastructure and move into new opportunities. The effort to save the rail line resulted in a private purchase by British Columbia based Westcan Rail and **Great Western Railway Ltd.** was formed as the operating company. A string of 16 SWP grain elevators along the rail line were purchased by individual farmers, small groups and community ventures for condominium storage, seed cleaning and to aid the increased use of producer cars. An inland terminal was built in Gull Lake, on the CP Rail main line, as a joint venture with Cargill who own 49%. The current president is from Shaunavon.

A successful **600 sow farrow-to-finish hog barn** (Red Coat Stock Farms) was built 17 km southeast of Shaunavon as a joint venture with Quadra group, which is scheduled for expansion to 1,200 sows in the spring of 2002. There are also five Heartland pork finishing barns developed in the region.

A **Producer Car Group** was formed in Shaunavon to co-ordinate the ordering and shipment of cars in support of the Great Western Railway Ltd. and they recently purchased a SWP elevator in town.

An **ethanol initiative** led by local leaders with experience in agriculture and the oil and gas sector has been formed. Several **cattle feed lots** are on the drawing board for the region based on a large cow-calf sector. The **specialty livestock sector**, particularly buffalo, is expanding rapidly.

Tourism is slated for major expansion with huge potential as a result of the **T Rex Discovery Centre** near Eastend, Grasslands Park at Val Marie and the Cypress Hills and Fort Walsh attractions.

How They Financed Their Projects

Attracting local investment capital was the key to success but not easy to do. The focus was on a business approach with a profit and return on investment. Use of professionals (lawyers and accountants) on the feasibility studies helped build a good business case for all ventures. This made it easier for business leaders to invest in community projects with the expectation that it would not only help the community, but was a sound investment as well.

There have been about 20 core farm and business leaders throughout the region that have led most of the ventures. All of them have invested at least $5,000 per year on one or more projects over the past six to seven years. This provided seed money and credibility and made it easier for other local people to feel confident in the investment if the leadership had already invested.

Local Investments vs. Outside Investments

The major projects had both local and external financing such as Red Coat Stock Farms (Quadra), Great Western Railway Ltd. (Westcan Rail) and Southwest Terminals (Cargill). The smaller projects

were locally financed such as the Producer Car Company that purchased the SWP elevator.

The benefits in joint ventures with outside investors include the ability to access investment capital, professional management and market access. This has been an essential component to the success formula.

Jobs Created and Other Economic Spin-Offs

The population of Shaunavon has increased over 10% from 1996 to 2001 due to expanded business and jobs, but not at the expense of the surrounding communities. Manufacturing and value-added processing has sustained the regional population base of a number of surrounding communities.

For example, the new ventures include Great Western Rail (10 employees), the Red Coat Stock Farm (five employees), Southwest Terminal in Gull Lake (eight employees) and the list goes on. Existing businesses are expanding such as: Honey Bee Manufacturing Ltd. and Southland Pulse Processors in Frontier. The recent acquisition of many SWP grain elevators will lead to increased diversification and sustain employment across the region.

There are as many indirect jobs created as direct jobs in terms of the hotel and restaurant sector, trucking, health (physicians, dentists, chiropractors, physiotherapists, nurses), education, insurance and construction, etc.

The past five years of successes has given the business community a renewed sense of self-confidence. For example, **A&B Autobody** built a large new facility, a **GM dealership** moved to Shaunavon from The Pas, Manitoba and built a $1 million building and the local **John Deere dealership** invested approximately $1 million in an expansion, all creating new jobs.

The net result is an increased population for Shaunavon. The real measurement is more students in school. Youth are the future of every community.

The Keys to Success

Core leaders re-defined the community as a region: The general recognition of a common strategy across the southwest region and a core group of key leaders able to begin working together rather than in competition redefined the community. There were no more than 20 key people, from across the region, responsible for the development of most of the new ventures. **You only need a few!**

Accessing local investment capital: It is not easy but it can be done. The core leadership, from both farm and business, were willing to not only contribute their volunteer time but also to invest in projects leading to the increased control of their destiny. The credibility and example of core leaders encouraged others in the community to invest. There has been a heavy commitment from those core leaders, who have contributed financially to the future of the community. Recently there has been substantial regional investment from many communities with the purchasing of 16 SWP elevators along the Great Western Rail line, with more in negotiation.

How to negotiate successfully with big business: Do not be afraid to negotiate with large companies. Leaders realized Big Business is also looking for win/win situations with local businesses. Successful business arrangements were negotiated with SWP, Cargill, CP Rail and the Canadian Wheat Board (CWB). In fact, without the full support and co-operation of CWB, Great Western Rail Ltd. would not be successful, which is contrary to what many producers think about the CWB. The technique was to develop a proposal and keep talking with potential partners. It takes many meetings, persistence, patience, creative responses and tenacity. Do not be discouraged and do not give up!

Business Incubator Concept: The Southwest Regional Economic Development Authority (REDA) and Community Futures reorganized their approach to community economic development. They focused on providing initial pre-feasibility support to new project ideas with the objective of putting together a group of leaders/investors who would carry the project forward. Once the leader/investor group was operational, they were able to sustain themselves without further REDA support.

Proximity to Alberta: This has made the region more entrepreneurial. "*We go to Alberta (Medicine Hat) as often as Regina and have seen what they can do with less natural resources. We see the Alberta advantage is mostly attitude and cocky self-confidence. We can do the same and have proved it to ourselves and others*!" says Norm Lovoi, Chair Cypress Hills REDA.

Keep looking for new projects: *"We realize there is no single silver bullet or solution. Growth by definition means continuous development and expansion. Even to sustain what you have, requires at least a couple of new initiatives and business start-ups each year because some other businesses are retiring or selling out,"* says Dennis Webster, Manager Cypress Hills REDA.

Roadblocks

Proximity to Alberta: This is also a major barrier for the region. Alberta's appeal of higher wages and lower taxes has been a magnet drawing entrepreneurs and young people away from the community. **Solution**: Don't sell Shaunavon short, and promote the local advantages in terms of quality of life, as well as attractive professional career opportunities. It is working because most southwestern Saskatchewan people are now proud of their area and confident they can build a prosperous community. For example, companies such as Honey Bee Manufacturing Ltd. in Frontier know how to effectively sell the business and social advantages of a small town. It can be done!

Government Support: The leadership knew support from all three levels of Government would be necessary for successful projects. But Governments can be slow in adapting policies to new approaches. **Solution**: A strategy to make the best use of all levels of Government as a support to local self-help. For example, project leaders have not relied on (or waited for) Government leadership or funding. They have consciously gone ahead with their own innovation in areas such as the purchase of the rail line, producer car groups, Inland Terminals, Pork operations and now the development of ethanol. The expectation is that government will provide the core infrastructure and support economic on-going business development, which for the most part, has been successful. Government has been treated as a partner rather than a problem.

Communicating the Vision of Change and Growth: One of the biggest challenges is to mobilize the energy and enthusiasm of the general population across the region to support local economic development. Free rural newspapers, based on advertising from the Big Box retailers, are sent from Medicine Hat and Swift Current to all communities in the region. Weekly car pool shopping trips to Medicine Hat had emerged to purchase basic consumer goods. **Solution:** An integrated communication and promotion strategy that maximized the local newspapers and radio station as well as community meetings, one-on-one meetings and other word-of-mouth advertising. Local business reports an increase in conscious consumer support.

Lack of Skilled and Professional People: As the economy expands it is increasingly difficult to find enough skilled trades and professional people.

Solution: Maintain and expand the recreational, social and arts facilities, health, education programs and amenities to make Shaunavon as attractive as possible to new people. Aggressively recruit people and businesses to the community with good support materials, web sites and welcoming committees. The town council strongly supports all the community service clubs and community cultural groups, which are the heart and soul of community for new people. If the climate is right, Shaunavon expects the Alberta migration to reverse towards the Southwest Saskatchewan Advantage.

The Next Project(s)

Agriculture: The **ethanol and feedlot initiative** is the major initiative of the farm and business leaders and there are two feedlots in the planning stage.

Community: The town and RM is fundraising for a **$4 million skating, curling and recreation** facility scheduled for construction in 2005.

Oil & Gas: There is a plan for re-creating Shaunavon as a hub for the expanded oil and gas service sector with plans to attract exploration and service companies to re-locate in the region.

Tourism: To add hunting, fishing, winter recreation, agri-tourism, Bed & Breakfast to the growing summer tourism in order to make it a year-round business sector.

Summary

Shaunavon could have been passive and reluctantly accepted the rationalization of their infrastructure and the decline of the regional economy. But they didn't. They decided to take control of their own destiny. They have succeeded with a number of ventures and are just getting warmed up.

There are three main conclusions to the southwest success story:

1. A **strong regional economic approach** driven by **credible leaders willing to invest,** coupled with the realization that all communities and surrounding RMs must benefit and prosper, if Shaunavon was to

grow and prosper. The Great Western Rail is a testament to a strong regional strategy;

2. The decision to make the **Cypress Hills REDA a virtual incubator** for community-based business initiatives and ideas proved to be the right approach at the right time; and,

3. The strategy to **identify and maximize local strengths and natural advantages** in an integrated way, so that oil and gas, farming and ranching could blend with emerging opportunities. For example, purchasing the rail line, elevator infrastructure, future value-added processing and tourism.

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Tisdale

Success begets Success. It's not easy but it's that simple!

How the Community Created Opportunities

Tisdale was officially settled in 1904 with the arrival of the Canadian Northern Railway with immigrants from Europe, USA and Eastern Canada. The addition of the CPR line in 1924 gave Tisdale an additional transportation link. Over the years, this vibrant rural community developed entirely on its agriculture base.

Tisdale grew steadily and its population peaked at about 3,500 in the 1970s. Like many rural communities it slowly reversed into decline. By 1992, the population had dropped to 2,990. Because the economy was so closely tied to agriculture, when it took a downturn so did the community. There was concern but no common rallying point for action until recently.

In retrospect, the foundation for the **turning point** came in the early 1980s with the desperate need for a new school, skating and curling rink. Community leaders came up with a novel idea to build a state-of-the-art, $5.0 million joint facility for the school and rinks called the **RecPlex**. This had never been done before and government's initial response was "It can't be done." The determination of the community to build according to their terms and needs set the stage for the future. Leaders learned the power of a common vision and joint action. In later years, a gym/community hall, swimming pool, regional library and community college were added to the RecPlex.

The contractor who built the RecPlex in 1981 was a major developer who, with local investors, built a city-size **shopping mall** in 1984, which attracted Zellers and OK Economy. This was a major coupe in the retail sector. The RecPlex and Mall anchored the town, increased the confidence of the leaders and the pride of the people. Today the mall is 100% locally owned.

In 1987 the agriculture sector declined and little happened for a few years. The leadership was determined to continue the growth and used consultants for long-term planning. The next step was the expansion of the long-term care facility, with local fundraising to achieve a goal of making it part of the new hospital (1992), the first in the province to do so. In the early 1990s Tisdale effectively utilized the **community bond** program to invest in Northern Steel and later in companies such as NuForm Packaging, which have become very successful.

The most dramatic growth came during the 1997-2000 period when **four inland grain terminals** were built. The announcement that an inland terminal in Melfort, 40 km away, would draw grain from a 100 km radius caught Tisdale's attention. Did this mean Tisdale would fall under the draw of Melfort and Nipawin? The leadership explored the options with all major grain companies and promoted the advantages of Tisdale. In the end, they attracted four inland terminals to Tisdale ... the largest concentration in western Canada.

The heavy demand for all skilled trades, during construction of the terminals, gave local **light manufacturing companies** and service sectors a major boost. They had to upgrade equipment, staffing and expertise, which they have sustained and expanded since. This provided a platform for continued growth and expansion of a vibrant manufacturing and service sector for the region.

The newest regional initiative is the **Red Deer Cattle Co-operative** formed by a group of nine northeast region ranchers and centred in Tisdale. The goal was to look for efficiencies in the production and marketing of cattle and increased profits for the farmers and ranchers. The nine ranchers worked since 1998 to design the New Generation Co-op concept of a community-owned herd. In the early winter of 2001, they commenced selling $5,000 units with the goal of raising $1.0 million to purchase 1,200 cows in the spring of 2002. The final cowherd size will be 6,000 head with the calves fed to market weight in the local area. The cattle will be bred, fed and managed in the same manner by experienced cattle producers, with the objective of obtaining the price premium the market pays for carcass uniformity and quality. The prospectus promises 15% return on investment per year, because of the market premium, plus reduced marketing costs because the ownership of the cattle is maintained to the packing plant, by-passing the auction system.

This will be the **first community-owned beef herd in Saskatchewan** and a model for farmers, business and residents to invest in cattle and obtain the benefits without the bother of raising cattle directly. Investors provide hay, silage, feed grains and even pasture land for the cattle, depending on the location of the herds. There will be challenges because it is a new concept.

The result? Today Tisdale is a regional shopping centre and farm service hub with a population back up to 3,500, the high point 15 years ago. Most importantly, there are four kindergarten classes, which is the highest since 1975. Young families are back in the community and the future is bright.

How They Financed Their Projects

The leadership for each of the major projects was credible. Respected business people not only championed each project but also were the first ones to invest capital, along with their time. This was critical in mobilizing local capital from other investors in a short period.

Communicating the vision and long-term goals for the community was critical in selling the projects in a way that people could see tangible benefits for their investment and energy. Of course, this means first having a plan.

Innovative projects such as the RecPlex were eventually accepted by government largely because of the mobilization of significant local capital. This approach of community leadership was repeated a number of times including when the swimming pool was later added to the RecPlex.

Local Investments vs. Outside Investments

There were major commitments by local entrepreneurs and investors to initiate project ideas but outside investment capital was critical to complete the project. In other words, outside investment will not naturally be attracted to a community. Capital responds to innovation, enthusiasm and new approaches to a dynamic marketplace.

This is evident in the early stages of the RecPlex, which would not have happened without substantial community funds to contribute to construction. The mall project was risky but local investors were keen to work with an experienced developer and co-investor.

Tisdale has been a leader in alfalfa dehy and marketing since the 1970s. There were a number of farmer owned ventures started in the 1970s that were individually financed. This is another example of leadership and innovation.

On the other hand, the Inland Terminals and the hog barns involved mostly outside investment but would not have happened without local leadership and initiative.

Jobs Created and Other Economic Spin-Offs

The rapid growth of the local economy has come from a number of areas. The key sources of new jobs include: **Walker's Seeds** expanded from 55 to 80 employees; **Northern Steel** from 80 to 120 employees; **Nuform Packaging** grew to 16 employees; and, **Double L Welding** grew to 60 employees. These few companies alone have created **over 100 new full-time positions** in the last two years.

The benefits have accrued to surrounding communities, which is another benefit of a strong regional economy around Tisdale. For example, there were a number of hog barns constructed in the area with the support of **Heartland** (Ridgedale & Carrot River) and **Quadra** barns (Star City & Arborfield), which contribute approximately **50 jobs** in total. There are negotiations with **Big Sky** for barns (Tisdale and Porcupine Plain) because of the positive impact the barns have had on the local communities.

The four Inland Terminal grain handling and other farm supply operations and services have created **200 jobs** in the community.

Companies like **Capital I Industries**, the Irving family business 16 km south of town, employing **15 people**, won the 2001 APEX Award for the New Product Category in mowing and plough attachments for RM road patrols (graders). **Patterson Welding** was a small shop contracted to fabricate grain legs for the inland terminals and ended up with **12 full-time jobs** and state-of-the-art capability in metal fabrication.

Double L Welding in Archerwill has become one of the leading manufacturers of pens for integrated hog barns and now employs **60 people**. This confirms that a small local business can be world-class in terms of innovation and manufacturing. This enhances the community reputation for creativity and innovation.

Other benefits of population growth and renewal include: increased youth sports teams, increased school enrolment, 125 new homes, retail growth including new restaurants and a 24-hour **7 - Eleven** convenience store and a number of APEX winners for business achievement.

The benefits have accrued to the surrounding villages and hamlets as well and many have also enjoyed population increases during the past 10 years.

Population Growth Trends in Tisdale Region from 1991 to 2001

Town	1991	1996	2001	% Increase from'91
Tisdale	3,045	2966	3512	+15 %
Porcupine Plain	803	866	965	+ 20%
Bjorkdale	251	262	290	+ 16%
Mistatim	114	114	150	+ 32%
Ridgedale	122	104	108	- 12%
Zenon Park	254	259	298	+ 17%

Tisdale has made a conscious effort to provide the amenities of a larger centre and is able to attract and retain people for lifestyle reasons. This has made it easier to attract people to fill the **hundreds of new jobs** over the past two to three years. While it is hard to attract new people to the community the retention rate is high, which is proof of a quality lifestyle.

The Keys to Success

See the big picture - Have a vision: Tisdale realized if they wanted growth they had to do it themselves. They didn't rely on direction and leadership from larger centres such as Melfort, Nipawin or government. The core leadership was able to **communicate to the residents a common vision** for each project, in a way that captured their imagination and support.

Partnership – Can't Do It Alone: The town and Tisdale RMs worked very closely through the Kelsey Development Corporation for mutual benefit. For example, the town lost the tax base from four elevator closures in town. Four inland terminals were built on RM land, but this did not hinder the town's advocacy in attracting the terminals. Why? Because the lost tax base has been replaced tenfold by new residential and business tax base from expansions and start-ups.

Work regionally with other villages & hamlets. Tisdale is as strong as the surrounding communities. Regional consultation has been an important factor in success because a number of manufacturing and service businesses are located in surrounding communities. When the surrounding communities are prosperous and growing in population, Tisdale will also grow and prosper.

Invest in the local community. Realize the majority of business growth comes from **local businesses**, not the smoke-stack companies that move in. Have the courage and the will to invest in the people and businesses in your community. The community investments in local business provided the funds to establish, restructure and expand to the benefit of all.

Ability to build on agriculture strengths. Tisdale is a single sector town – just agriculture. But the community has made the most of its strengths such as: seed growers, specialty oilseed production, pulse processing, alfalfa dehy, forage, honey production, hog production, livestock expansion, greenhouse development, etc.

Utilize Local Business Expertise: Tisdale was successful in attracting successful and credible local business people into leadership positions. It is important to get the right people ... and each project has different right people. These leaders had a bigger picture and could see the future more easily. Their credibility attracted community support for the major projects. Their extensive networks in the business and banking sectors, as well as with senior politicians and government leaders, helped break the log-jams involved in new ventures and innovative approaches.

Roadblocks

Tisdale has faced the same barriers as other communities in terms of population decline and loss of infrastructure. The community had two solutions: accept the **status quo** or do not accept the **status quo**. They choose the latter. There had to be **solutions** to the barriers and roadblocks.

Willingness to invest locally: One of the leaders pointed out there is not much hope for many small communities who are not willing or able to invest in the community. Tisdale had to deal with this challenge. The community was settled 100 years ago by pioneers who believed they could build a better life and did not expect anything from anyone.

If something needed to be done, they made personal investments in time and capital to make it happen. **Solution**: Get the can do pioneer spirit of self-help and innovation back. Defeat the doom and gloom approach by taking pride in the community. Take control of the situation and create opportunity. This was done through confident leadership, local media support, recognition of local success and community leadership awards, etc.

Negative Attitude: Despite the successes over the years, by individuals and the community, the pervasive dark cloud of hopelessness seems to hover over the community. The tendency to view rural communities and agriculture as victims of government, big business or foreign subsidies is self-defeating. This is reinforced, on a daily basis, by both external media and in the coffee shops. **Solution**: Leaders have consciously recognized that attitude is a major barrier to creative problem solving, change and adaptation. Effective communication is critical to presenting an alternative message of hope and optimism that characterized the pioneers that settled and developed the community. This also involves a supportive and effective local media that is in tune and in support of innovation and growth ... and prepared to take an alternative view to the provincial or national media on the local economy.

Investment Capital: Although the community has been successful, access to capital is always the major barrier and the primary roadblock to moving forward. **Solution**: Recognize a community project is no different than a business. If there is a vision, a plan, a service that meets a need, a communication strategy that gathers support and good management, the community will contribute and outside investors (banks, etc.) will support it. It requires leaders, who are already successful in business, to do this.

Success breeds complacency: Tisdale has enjoyed a series of successes in recent years and the region has grown quickly. A crisis sparks change and innovation. Stability can breed complacency. The core leadership we have worked hard over the past 10 to 15 years need to be replaced. **Solution:** This is an emerging barrier and the solutions are yet to be worked out. A leadership succession plan is critical to keep Tisdale on the leading edge. The good thing is the recognition of this emerging barrier and a plan to deal with it.

The Next Project(s)

The goal of the Town of Tisdale is to **double the population to 7,000** in 20 years. Growth has averaged about 3% during the past 10 years and if sustained, will easily achieve the 20 year target. This target has spurred many businesses to plan their growth to maintain market share. Success, growth and prosperity have become a self-fulfilling prophecy! The momentum of business innovation, growth and expansion **must be sustained**. The most immediate larger community projects include:

The **Red Deer Cattle Co-op** will employ **12 people** in the spring of 2002, which will expand to 40 people when in full production.

Pursue an **ethanol plant** to complement the growing livestock production and feeding ventures. The substantial expertise and services in value-added processing are well suited to ethanol production.

Support the development of a grain screening **pellet plant** as a natural value-added spin-off to the five inland terminals around Tisdale plus the large number of seed growers with processing facilities. There is a high level of interest from the community as well as a couple of entrepreneurs.

Agro-forestry has potential because the soil and climate in the northeast region is best suited to the new, rapid growing aspen varieties developed for the wood and paper industry.

Expand the **tourism sector** based on the region's natural beauty. There is growing realization of the impact of tourism in the area and how Tisdale and community can benefit.

Develop an integrated **seniors complex** to ensure aging citizens have the support to remain in the community. Provision of services for seniors is a rapidly growing business sector.

Summary

If they tried, the critics could find ways to explain away Tisdale's success of revitalization and renewal. For example, not every community can attract four inland terminals, which fuelled rapid growth in the trades, manufacturing and service sectors. But on the other hand, the terminals did not end up in Tisdale by accident. It was the result of a clear vision based on local strengths, a strategic plan and community implementation of the plan.

Can every community do what Tisdale and surrounding communities have done? Good question. What are the keys to Tisdale's success?

It is recognition among key leaders that constant change and adaptation is required. Why? Because nothing remains the same ... the community and the world is constantly changing ... and local business must also constantly change and adapt.

Even the very successful inland terminals are a temporary success. Duff Fenton, a prominent seed grower, says it best, "*I was very involved in attracting the inland grain terminals to Tisdale, which had a great impact, but is only an interim step. If those terminals are still standing in 20 years, we have failed!*" Duff goes on to explain, "*Our future is in increased local utilization and value-added, not the export of commodities.*"

Finally, Tisdale will achieve the goal of doubling the population in 10 years! Why? Because people believe this will happen. They have stated a clear vision with goals and objectives for achievement. It will happen because there is a plan and expectation. Success begets success! It's not easy, but it's that simple!

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Wilkie

An Attitude Change From Complacency to Success!

How the Community Created Opportunities

"In 1996 the announcement that the Wilkie Hospital would be downsized to a health centre struck a devastating blow to our community. It brought more than 500 area residents to a meeting where we aired our anger and frustration over a decision, which we felt we had no hand in making.

In time, we realized the truth – that we did in fact have a hand in making that decision. Fifty years of complacency had allowed our community to shrink in population, economic viability, and regional importance. The closure of the hospital had given us a glimpse of our future ... and it was not one we wanted for our children and grandchildren. Many of us felt a sense of guilt as we remembered the legacy left to us by our pioneer ancestors who settled this region with courage, optimism, creativity, innovation and a belief they could build a better land." Quote by Margaret Skinner, Community Leader.

Wilkie was established as a divisional point for the CPR in 1908, which employed over 100 people at one time. The town remained strong until the late 1950s. From 1960 to 1990 the population, economic viability and regional importance of the town declined. The town is on the intersection of Highways #14 and #29 and located 55 km southwest of North Battleford.

In an effort to effect change, an economic development officer was hired by the town in 1990. Several projects were initiated that were directed at tourism: a hand-car racing track and park, a grasshopper drop fundraiser, attempts to re-locate the rail station house as a museum and a mineral spa attached to the local swimming pool. All received little public support and those willing to invest lost their money. Likely reasons for failure were 1) Limited buy-in of the concept by the town or rural residents; 2) Leadership was top down rather than projects having grass-roots involvement; and, 3) General community complacency.

In the early 1990s farmers gathered at the neighbouring town of Unity (20 minutes away) to discuss building an inland grain terminal. The surrounding communities raised $2.3 million through the sale of shares. Difficulties faced included: 1) Opposition from major grain company and its supporters; and, 2) Building with shareholder funding was a new concept to the region. The leadership for North West Terminals Ltd. (NWT) came from President and Chairman Bob Cummings and six well-respected farmers from Unity and the surrounding communities. The result was North West Terminal and confirmation of the strength of communities working together.

The Community of Wilkie hit the bottom with the closure of the hospital. It was the impetus for action. That action started in 1996.

Five years later there were many new community ventures and the local Community of Wilkie had created 85 new jobs.

How They Financed Their Projects

Wilkie matched the share value to the investment abilities of the target group. West Central Pelleting (WCP) cost $500 per share and there are 600 shareholders in total. The downside is the time it takes to get 600 commitments, but the upside is the project investment is low risk and there are 600 cheerleaders who are proud of their investment and proud of their community.

Some residents of Wilkie had partnered with Unity in the planning and construction of the successful North West Terminals in 1994-95. The idea for West Central Pelleting, as a complementary business to the terminal, was in the concept stage when the hospital announcement came.

The banks and credit union were supportive by providing loans to people in the community who needed a loan to purchase the shares. This was very important.

Local Investments vs. Outside Investments

All the projects are financed locally for the equity portion and the balance of the financing was debt. Community ownership and partnership is key to success.

It took 18 months to raise $780,000 for the WCP plant because it was the first venture.

The up-coming Spa and Hotel complex will seek equity investors from the local community as well as across the prairie region.

North West Terminals (NWT) original cost was:

1. Local Shares	$2,300,000	(33%)
2. Partner (Pioneer Grain)	$500,000	(7%)
3. Mortgage	$4,000,000	(60%)
Total	**$6,800,000**	

NWT Expansion (Addition Plus Condo Storage)

1. Local Shares	$638,000	(18%)
2. Mortgage	$3,000,000	(82%)
Total	**$3,638,000**	

West Central Pelleting (WCP) original cost was:

1. Local Shares	$780,000	(34%)
2. Mortgage	$1,520,000	(66%)
Total	**$2,300,000**	

WCP Expansion (Additional Storage After One Year)

1. Additional Mortgage	$ 310,000
Total	**$ 310,000**

Velvet Independent Processors (VIP)

3. Private Funding	$1,000,000
Membership by users	

Jobs Created and Other Economic Spin-Offs

A total of 85 jobs were directly created in the Wilkie area. West Central Pelleting has 15 employees, VIP has 15 employees, NWT has 20 employees, and the Bethany Homes added 12 employees. The Prairie Springs Mineral Spa and Hotel, when opened, will employee an additional 60 people.

There were at least an additional 85 indirect jobs because of more students in school (added a teacher), the café re-opened, a motel re-opened under new ownership and management, a new café opened, local trucking companies expanded, Louis Dreyfus opened a terminal and agriculture related businesses expanded.

Finora built a new speciality crops processing facility for $2.5 million and created 10 new jobs.

The Keys to Success

First, was the persistence of a few **leaders who were trusted** and would not quit. Not all projects will work the first time. The Community had 10 years of trying economic development projects that did not work. But the leadership kept on trying.

Second, was **making shares affordable** to the local people. It took 18 months to raise the $780,000 for WCP because 600 shareholders were required. But it was worthwhile in gaining broad community support, commitment and enthusiasm for future projects.

Third, developing a **viable vision for the future** to champion projects that intuitively make sense and could be understood, such as the Inland Terminal and the Pelleting Plant where there are tangible benefits. The Shareholders of WCP sell grain and screenings and buy back the pellets for their cattle.

Fourth, was finding something that **built on local strengths**, which could succeed. Nothing builds confidence and optimism like success! Once the community had an attitude change, nothing held them back. The Community of Wilkie now believes they can do anything!

Fifth, the ability of Wilkie to **expand their definition of community** and get local RMs and towns to work together. The joint projects with Unity and the surrounding communities, such as West Central Pelleting, were a major key to success. Included in the broader community were a large number of RMs. The realization that not all businesses need to be in the same location. Sharing the benefits makes everyone stronger.

Get the best **professional advice** you can at the beginning. This costs money, but is the key to success. Involve a lawyer, accountant and professional consultants right from the beginning. WCP was successful because they also involved sector experts such as Vern Racz from the Prairie Feed Resource Centre, an expert on animal feed and pelleting. But most important, Wilkie hired an experienced manager with over 10 years experience in pellet production. At the beginning of the project he contributed to the design, co-ordinated the construction and then became the general manager.

NWT also hired a **professional manager** during the early years, a son of Wilkie who was a grain-marketing expert with the Canadian Wheat Board who brought a thorough international understanding of the grains, oilseed and pulse markets.

Don't need buy-in from everyone in the community. Need the core leadership. Need investment from 5% of the people in the region (Town and surrounding RMs) to make it go.

Need a **strong community Board of Directors** who are experienced business people and who have a powerful vision of the future. Appointing Members-At-Large to the Board who are professional and bring the needed experience and vision can augment this.

Future projects can **build on success**, such as the expansion of West Central Pelleting and new business opportunities such as new products and partnerships with another community. The same can be said for the Inland Terminal with expansion, condominium storage, new equipment for new crops, and new business opportunities in the processing side.

Roadblocks

Jealously and unwillingness to accept success from others. **Solution**: Broad-based share offering made success available to everyone and largely reduced this attitude.

The **close proximity to North Battleford** has been a perceived roadblock to maintaining local retail business and to try new ventures. **Solution**: There has been a conscious campaign to buy-local and use local services as much as possible. On the other hand, this proximity has allowed Wilkie business ventures to access industrial supplies and services, professional services, health services and employees who drive from North Battleford to Wilkie.

Local business did not want competitors and discouraged new ventures from starting up in the town. **Solution**: Focus the business community on growth and recognize that competition brings more customers not fewer customers.

Reliance on external Economic Development Officers. Outside people do not understand the nuances or quirks of small towns. Economic Development Officers who came into the community had good ideas but could not get the support of local people. **Solution:** Community leaders decided to take the initiative and responsibility for their own economic development ... and then things started to happen because they had an intuitive sense of what would be accepted in the community.

Access to Investment (Equity) Capital is very difficult. **Solution**: Government allow Farmer Sponsored Venture Capital or Community Sponsored Venture Capital tax allowances the same as the existing Labour Sponsored Venture Capital programs in order to access the large amounts of equity/investment capital in rural areas.

Government regulations and licensing provisions need to be harmonized with other provinces (certainly Alberta) to make it easier to do business. **Solution**: government support to economic development can be best done by helping get through regulations.

The Next Project(s)

The **West Central Pelleting expansion to Wolseley** is near completion. It is another first for community business. WCP is offering shares to Wolseley and area investors, which will give them ownership in both the Wolseley and Wilkie plants. This is the first time two separate communities have co-owned a common business in Saskatchewan.

North West Terminals Ltd. expansion to value-added processing of cereal and pulse crops and looking at further expansion of condominium storage.

The **Unity Feedlot** is in the final stages of completing the community investment. They have $1.5 million to date for a $3.0 million project.

The **Prairie Springs Mineral Spa and Hotel Complex** is in the final stages of approval with the Securities Commission. The total cost is $13 million. The community expects to raise $2 to $3 million over the next two months. There is strong local interest as well as interest from investors across Canada and the U.S.

Other **business and manufacturing ventures locating** or re-locating to Wilkie now that it has been

recognized as successful. These include a mustard processing facility, a specialty malt plant and a specialty livestock retail supply business.

Summary

Rural communities close to large urban centres suffer from competition and of10 become bedroom communities at best. However, Wilkie took the opposite approach believing **proximity to North Battleford was an asset** to providing easy access to labour, services and supplies to serve and support their own business development. It worked.

There is no doubt Wilkie's success is due to a handful of **credible, respected and trusted leaders** who had a vision the community could understand and support. It was a vision of building on natural advantages and local strengths. Credible leadership was critical.

The leadership success was the ability **to mobilize support for a regional community** definition and draw investment support from several surrounding towns, villages and RMs based on a larger vision for rural business development. The rationale is to spread the development so all communities and RMs have a part of the action.

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